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INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

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E.O. 11652: GDS

TAGS: EGEN, EAGR, EIND, ENRG, ELAB, ETRD, UR

SUBJECT: KOSYGIN ON THE SOVIET ECONOMY

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1. SUMMARY AND COMMENT. IN A LONG SPEECH AT CPSU TWENTY-FIFTH

CONGRESS, WHICH TOOK PLACE ONE DAY AHEAD OF SCHEDULE, SOVIET PREMIER KOSYGIN WENT ALL OUT IN PRAISING THE ECONOMIC ACHIEVEMENTS OF THE NINTH FIVE-YEAR PLAN. HE VIRTUALLY IGNORED DISASTROUS 1975 GRAIN HARVEST AND MADE NO EFFORT TO DEFEND INDIVIDUAL MINISTRIES AGAINST EXTENSIVE CRITICISM LEVELLED AT SOME OF THEM BY EARLIER SPEAKERS. HE STRESSED IMPROVEMENT IN SOVIET LIVING STANDARDS AND CLAIMED THAT GROWTH RATE OF SOVIET INDUSTRIAL PRODUCTION IS FAR AHEAD OF THAT OF THE UNITED STATES AND THE EEC. PRODUCTION TARGETS FOR 1980, FIRST ANNOUNCED IN THE TENTH FIVE-YEAR PLAN DIRECTIVES RELEASED IN DECEMBER, WERE REAFFIRMED WITHOUT ANY CHANGES, AS WAS THE NEW PLAN'S EMPHASIS ON QUALITY AND BALANCED GROWTH. CAPITAL INVESTMENT WILL CONCENTRATE ON MODERNIZATION OF EXISTING PLANTS AND INSTALLATIONS.

HEAVY INDUSTRY WILL CONTINUE TO RECEIVE TOP INVESTMENT PRIORITY IN THE USSR, WITH AGRICULTURE RUNNING A CLOSE SECOND. KOSYGIN ALSO REAFFIRMED SOVIET INTENTION TO CONTINUE EXPANSION OF ECONOMIC TIES WITH THE WEST, ALTHOUGH THIS WILL BE DONE MORE RAPIDLY WITH THOSE

COUNTRIES WHICH PROVIDE "NORMALIZED, EQUAL" CONDITIONS FOR TRADE. IN CONTRAST TO BREZHNEV ON FEBRUARY 24, KOSYGIN MAKES NO SPECIFIC MENTION OF A 15-YEAR PLAN, ALTHOUGH HE IMPLIES THAT GOSPLAN IS INVOLVED IN A "COMPLEX PROGRAM" FOR LONG-TERM DEVELOPMENT.

ON BALANCE, KOSYGIN'S MORE THAN THREE-HOUR PRESENTATION LACKED THE DYNAMIC, CRITICAL APPROACH TAKEN BY BREZHNEV AT THE START OF THE CONGRESS AND APPEARED AT TIMES TO BE A DEFENSE OF THE SOVIET UNION'S SPOTTY ECONOMIC PERFORMANCE OVER THE PAST FIVE YEARS. END SUMMARY AND COMMENT.

2. SECTION I. INTRODUCTION AND RESULTS OF NINTH FIVE-YEAR PLAN.

THE OVERALL THEME THROUGHOUT THIS LEAD SECTION OF KOSYGIN'S SPEECH IS PRAISE, CONGRATULATION, ASSURANCE OF TARGETS MET AND A JOB WELL DONE. CRITICISMS ARE FEW AND FAR BETWEEN AND EVEN THE DISASTROUS PROBLEMS IN AGRICULTURE ARE DOWNPLAYED TO THE DEGREE THAT THEY RECEIVE ONLY PASSING REFERENCE.

3. DESCRIBING BASIC ACHIEVEMENT OF NINTH PLAN AS "STABLE GROWTH" AND IMPROVEMENT OF WELFARE OF SOVIET PEOPLE, KOSYGIN ALLEGES THAT IT IS BEST IN HISTORY OF SOVIET NATION ON BASIS OF ABSOLUTE GROWTH
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IN INDUSTRIAL PRODUCTION, CAPITAL INVESTMENT AND NEW MEASURES FOR WELFARE OF PEOPLE. ECONOMIC POWER OF USSR IN PAST TEN YEARS HAS ALMOST DOUBLED AND OVERALL VOLUME OF NATIONAL INCOME IS NOW - AT END OF NINTH PLAN - 34 PERCENT HIGHER THAN AT END OF EIGHTH.

4. FOLLOWING ARE AMONG MAJOR NINTH FIVE-YEAR PLAN ACCOMPLISHMENTS STATED IN LONG LISTING WHICH COVERS ABOUT HALF A PAGE:

(A) INCREASED AVERAGE WAGE. OVER PAST FIVE YEARS AVERAGE MONTHLY WAGE IN USSR IS SAID TO HAVE RISEN TO 146 RUBLES, UP 20 PERCENT OVER PREVIOUS FIVE-YEAR PERIOD. INCREASE IN AVERAGE WAGE FOR

WORKERS ON COLLECTIVE FARMS SAID TO HAVE RISEN BY 25 PERCENT.

(B) MORE FOOD AND CONSUMER GOODS. TURNOVER OF RETAIL GOODS, AT PRICES KEPT STABLE BY STATE, INCREASED 36 PERCENT. MORE MEAT, MEAT PRODUCTS, EGGS, OTHER FOOD PRODUCTS AVAILABLE. ALSO MORE MAJOR CONSUMER ITEMS INCLUDING TELEVISION SETS, FURNITURE, RADIOS, SEWING MACHINES, REFRIGERATORS.

(C) MORE AUTOMOBILES. ABOUT ONE MILLION CARS PER YEAR NOW BEING SOLD TO SOVIET PEOPLE, SEVEN TIMES MORE THAN IN 1970.

(D) MORE HOUSING. DURING NINTH PLAN SOVIET STATE BUILT 11 MILLION APARTMENTS AND INDIVIDUAL HOUSES, FOR TOTAL OF 544 MILLION SQUARE METERS OF LIVING SPACE. THIS IMPROVED LIVING CONDITIONS FOR 56 MILLION

SOVIET CITIZENS ON PRINCIPLE OF "ONE APARTMENT FOR ONE FAMILY."

(E) INDUSTRIAL PRODUCTION UP. OVERALL VOLUME OF INDUSTRIAL PRODUCTION IN 1975 SAID TO BE 43 PERCENT HIGHER THAN IN 1970.

(F) ENERGY AND RAW MATERIALS FOR INDUSTRY. PRODUCTION TARGETS IN MANY AREAS OVERFULFILLED. IN 1975 USSR PRODUCED 491 MILLION TONS OF OIL, 701 MILLION TONS OF COAL, 289 BILLION CUBIC METERS OF NATURAL GAS, 1,038 BILLION KILOWATT HOURS OF ELECTRICITY. NOT ONLY OWN NEEDS BUT ALSO EXPORT REQUIREMENTS IN THESE AREAS HAVE BEEN MET. IN ADDITION, USSR PRODUCED IN 1975 141 MILLION TONS OF STEEL, 90 MILLION TONS OF MINERAL FERTILIZER, 122 MILLION TONS OF CEMENT.

(G) LABOR PRODUCTIVITY INCREASED 23 PERCENT.

5. IN DISCUSSION OF AGRICULTURE KOSYGIN NOTES THAT THE SECTOR RECEIVED TOTAL INVESTMENTS OF 131 BILLION RUBLES, MORE THAN ONE-QUARTER OF ALL CAPITAL INVESTMENT FOR SOVIET ECONOMY DURING NINTH PLAN. INPUTS OF AGRICULTURAL MACHINERY INCLUDED 1.7 MILLION TRACTORS,

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449,000 GRAIN COMBINES AND OVER ONE MILLION TRUCKS. AS RESULT OF HEAVY INVESTMENT AND HARD WORK OF AGRUCULTURAL LABOR FORCE, AND IN SPITE OF EXTREMELY BAD WEATHER, "AVERAGE YEARLY VOLUME" OF SOVIET AGRICULTURAL PRODUCTION INCREASED BY 13 PERCENT DURING NINTH PLAN. "AVERAGE YEARLY VOLUME" OF GRAIN PRODUCTION INCREASED BY 14 MILLION TONS AND OF RAW COTTON 26 PERCENT. NEVERTHELESS, OVERALL ACHIEVEMENTS OF AGRICULTURE IN NINTH PLAN WERE LOW AND INEVITABLY HAD AN IMPACT ON SOVIET LIGHT INDUSTRY AND ALSO FOOD INDUSTRY.

6. KOSYGIN'S BRIEF SECTION ONE REFERENCES TO PROBLEMS ARE CONCERNED WITH TENDENCY OF MANY ENTERPRISES TO WASTE INVESTMENT BY "SCATTERING IT" IN CONSTRUCTION OF NEW BUILDINGS AND INSTALLATIONS WHEN MODERNIZATION OF EXISTING UNITS WOULD BE MORE ECONOMICAL. AND MANY AGENCIES ARE SAID TO TAKE TOO NARROW AN APPROACH TOWARD PLANNING AND INVESTMENT, PAYING NO ATTENTION TO BROADER NATIONAL OBJECTIVES. THEY ALSO TEND TO IGNORE NEW TECHNOLOGY.

7. DESPITE ABOVE CRITICISMS, HOWEVER, THE OUTLOOK IS VERY GOOD

INDEED. IN COMPETITION WITH UNITED STATES AND COMMON MARKET COUNTRIES, SOVIET INDUSTRIAL PRODUCTION IS NOW MOVING UPWARDS AT RATE OF 7.4 PERCENT PER YEAR, COMPARED WITH ONLY 1.2 PERCENT FOR COMPETITION. AND FOR PERIOD 1950-1975, GROWTH RATE OF ALL CEMA COUNTRIES TOGETHER IS MORE THAN TWICE AS HIGH -- 9.6 PERCENT--AS THAT OF WORLD'S DEVELOPED CAPITALIST COUNTRIES WHICH WAS ONLY 4.6 PERCENT.

8. SECTION II. TENTH FIVE-YEAR PLAN: FIVE YEARS OF QUALITY AND EFFECTIVENESS? NOT SURPRISINGLY, KOSYGIN'S ECONOMIC REFRAIN FOR THE TENTH FIVE YEAR PLAN IS "DYNAMIC AND PROPORTIONAL DEVELOPMENT" VIA FOUR MAIN ROUTES: INCREASED EFFECTIVENESS, MORE RAPID SCIENTIFIC-TECHNICAL PROGRESS, RISE IN LABOR PRODUCTIVITY AND OVERALL QUALITATIVE IMPROVEMENTS. IN INTRODUCTORY REVIEW OF MAIN PLAN FIGURES, KOSYGIN CLAIMS THAT NEW PLAN INSURES GREATER PRODUCTION OF "FINAL PRODUCTS GONG DIRECTLY FOR SATISFACTION OF NEEDS OF POPULATION AS WELL AS ECONOMY" WHILE AT SAME TIME INSURING "SECURITY OF OUR COUNTRY." BASIS OF INCOMES POLICY CONSISTS OF WAGE INCREASES, WHICH EXPECTED PROVIDE 75 PERCENT OF TOTAL NATIONAL INCOME AND, WHEN LINKED WITH PLANNED, STABLE PRICES, SHOULD INSURE BOOST OF REAL LIVING STANDARD. GROWTH OF HOUSING TO CONSIST LARGELY OF STATE CONSTRUCTION BUT ALSO "EXPANDED COOPERATIVES IN SMALL CITIES, WORKERS SETTLEMENTS AND AGRICULTURAL VILLAGES WITH INDIVIDUAL LIMITED OFFICIAL USE
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HOUSES."

9. PLAN FOR GROWTH OF STATE CONSUMPTION FUND AT FASTER RATE THAN INVESTMENT FUND IS CITED BY KOSYGIN AS EVIDENCE NOT ONLY OF CONCERN FOR SOVIET CONSUMER BUT ALSO OF "PEACEFUL POLICY OF SOCIALIST GOVERNMENT", AN APPARENT HINT AT LOWER DEFENSE EXPENDITURES. INVESTMENT POLICY TO BE AIMED AT AGRICULTURE AND EXPANSION AND RECONSTRUCTION OF EXISTING PLANTS. NEW CONSTRUCTION IS TO BE BASED ON "INSURING INTRODUCTION IN PRINCIPLE OF NEW SCIENTIFIC-TECHNOLOGICAL SOLUTIONS." WITH REGARD TO EXPLOITATION OF RAW MATERIALS KOSYGIN REPEATS WARNING HE HAS VOICED IN PAST THAT POLICY MUST INSURE "RELIABLE PROVISION FOR COUNTRY OF RAW MATERIALS NOT ONLY FOR TENTH PLAN PERIOD BUT ALSO IN LONG-TERM PERSPECTIVE."

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COUNTERING IDEA SOMETIMES VOICED BOTH IN WEST AND WITHIN SOVIET
CIRCLES THAT ALONG WITH SCIENTIFIC-TECHNOLOGICAL PROGRESS
(ESPECIALLY THAT IMPORTED FROM CAPITALISTS) WILL COME DILUTION OF
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IDEOLOGY, KOSYGIN SAYS THAT "ACHIEVEMENTS OF SCIENTIFIC-TECHNOLOGICAL
REVOLUTION MUST BE ORGANICALLY LINKED WITH ADVANTAGES OF SCIOALIST
SYSTEM OF ECONOMY." SOVIET SCIENTISTS, ESPECIALLY THOSE IN "SOCIAL
SCIENCES", MUST PLAY LEADING ROLE.

10. TURNING TO QUESTION OF "FURTHER IMPROVEMENT OF PLANNING AND
MANAGEMENT OF THE OVERALL ECONOMIC MECHANISM", KOSYGIN CLAIMS MODEST

SUCCESS DURING PAST YEARS BUT QUOTES BREZHNEV THAT "WE ARE BOUND TO CONSIDER MEASURES FOR IMPROVING LEADERSHIP OF THE ECONOMY...AS THE MOST IMPORTANT RESERVE, THE USE OF WHICH WILL HELP TO SUCCESSFULLY FULFILL THE TENTH FIVE-YEAR PLAN." PRESUMABLE SUCH "IMPROVEMENT" WOULD START AT THE TOP, MEANING WITH KOSYGIN HIMSELF, ALTHOUGH AS EXPECTED HE POINTS FINGER AT PROBLEMS ON LOWER LEVELS. THERE IS NO SPECIFIC REFERENCE TO A FIFTEEN-YEAR (1975-90) PLAN, ALTHOUGH KOSYGIN DOES MENTION GOSPLAN INVOLVEMENT IN A LONG-TERM "COMPLEX PROGRAM."

11. MAIN RESPONSIBILITY FOR INSURING "INTENSIFICATION" OF PRODUCTION THROUGH RAPID APPLICATION OF LATEST S & T DEVELOPMENTS LIES WITH STATE COMMITTEE FOR SCIENCE AND TECHNOLOGY WHICH KOSYGIN CHARGES WITH INSURING "SYSTEMATIC CONTROL FOR" PROVIDING RESOURCES AND LINKING R & D TO PLANS FOR PRODUCTION. KOSYGIN SAYS STATE PLANNING COMMITTEE (GOSPLAN) MUST BE FREED FROM "MULTITUDE OF OPERATIONAL QUESTIONS" IN ORDER CONCENTRATE EFFORTS ON WORKING OUT "COMPLEX PROGRAM" FOR MOST IMPORTANT ECONOMIC PROBLEMS, INCLUDING: DEVELOPMENT OF ATOMIC ENERGY PRODUCTION BASE, PROGRAM OF MECHANIZATION OF MANUAL LABOR AND PHYSICALLY HARD WORK (LIKE MINING), AND PROGRAMS FOR FORMATION LARGE TERRITORIAL-INDUSTRIAL COMPLEXES. ACCORDING TO KOSYGIN, LARGE STEP ALREADY MADE IN THIS EFFORT WHICH HAS RESULTED IN EARLY COMPLETION OF MAIN TARGETS FOR TENTH PLAN AS WELL AS FIRM GOALS FOR 1977.

12. ORGANIZATIONAL STRUCTURE OF INDUSTRY WILL CONTINUE TO BE IMPROVED THROUGH EXPANSION OF PRODUCTION ASSOCIATIONS, OF WHICH 2,300 EXISTED AT START 1976. DURING TENTH PLAN KOSYGIN CLAIMS PROVISION BY STATE OF "STIMULATION FUNDS" WILL DEPEND ON ENTERPRISES' FIRM FULFILLMENT OF CONTRACTS, A REQUIREMENT PARTICULARLY APPLICABLE TO THE STATE SUPPLY COMMITTEE (GOSSNAM). ONE IMPORTANT "QUALITY INDICATOR" WILL BE FULFILLMENT OF PROFITABILITY PLAN: ACCORDING TO KOSYGIN 18 PERCENT OF SOVIET ENTERPRISES FAILED THIS TASK IN 1975. CREDIT SYSTEM WILL BE EXPANDED FROM PRESENT VOLUME WHICH ACCOUNTS FOR FIFTY PERCENT OF FUNDS IN INDUSTRY AND EVEN LIMITED OFFICIAL USE

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GREATER AMOUNT IN AGRICULTURE AND TRADE. INCREASED USE OF LONG-TERM CREDIT IS PLANNED FOR CONSTRUCTION.

13. TURNING TO FOREIGN TRADE, KOSYGIN REPORTS PLANS FOR EXPANDING SOVIET EXPORT POTENTIAL, ESPECIALLY IN AREA NEW PRODUCTS. ONE DIRECTION WILL BE THROUGH ORGANIZATION OF SPECIAL, HIGH-QUALITY PLANTS WHOSE ENTIRE OUTPUT WILL BE EXPORTED. IMPORTS WILL CONTINUE BE AIMED PRIMARILY AT INTRODUCTION LATEST TECHNOLOGY AND EQUIPMENT TO SPEED UP SOVIET DEVELOPMENT. COOPERATION WITH DEVELOPED CAPITALIST COUNTRIES WILL INCLUDE COMPENSATION DEALS MENTIONED BY BREZHNEV, AS WELL AS PARTICIPATION OF SOVIETS IN CONSTRUCTION INDUSTRIAL ENTERPRISES IN "WESTERN COUNTRIES." EXPANSION OF SCIENTIFIC-TECHNOLOGICAL AND PLANNING-CONSTRUCTION COOPERATION DEALS ALSO PLANNED. KOSYGIN STATES THAT "UNDERSTANDABLY", SOVIET

TRADE AND COOPERATION WILL DEVELOP MORE RAPIDLY WITH COUNTRIES WHICH INSURE "PROVISION OF NORMAL, MUTUALLY-BENEFICIAL CONDITIONS FOR DEVELOPMENT."

14. SECTION III. GOALS FOR SPECIFIC INDUSTRIES. KOSYGIN'S OUTLINE OF OBJECTIVES OF TENTH FIVE YEAR PLAN (1976-80) LARGELY REPEATED THEMES AND PRODUCTION TARGETS OUTLINED IN PLAN DIRECTIVES PUBLISHED LAST DECEMBER. HE HEWED GENERALLY TO BREZHNEV REPORT BUT WAS LESS CRITICAL OF WEAK PERFORMANCE AREAS. HIS REMARKS ON LIGHTINDUSTRY, HOWEVER, MAY WELL PRESAGE PERSONNEL CHANGES IN AFFECTED MINISTRIES.

15. HEAVY INDUSTRY WILL RETAIN ITS LEADING POSITION WITH PROJECTED INCREASE IN OUTPUT OF 38-42 PERCENT. SPECIFIC TARGETS IN OIL, GAS, COAL, ELECTRIC POWER, MINERAL FERTILIZER AND STEEL, AMONG OTHERS, REMAIN SAME AS IN DIRECTIVES. GOALS ARE SAID TO BE "REALISTIC" AND CAN BE OVERFULFILLED WITH APPLICATION OF SKILLED MANAGEMENT. MACHINE BUILDING, WHOSE OUTPUT IS TO INCREASE 1.6 TIMES, WILL PLAY A CENTRAL ROLE IN RAISING TECHNICAL LEVEL OF INDUSTRY AND QUALITY OF PRODUCTION. ATOMIC, CHEMICAL, AND METALLURGICAL MACHINERY WERE GIVEN FIRST PRIORITY, FOLLOWED BY ELECTRO-TECHNICAL, RADIO-ELECTRONIC, AND MACHINE TOOL AND INSTRUMENT-BUILDING MACHINERY. OVERALL AIMS ARE TO REDUCE MANUAL LABOR INPUTS, INCREASE PRODUCTIVITY, AND REDUCE WASTAGE OF MATERIALS. SINGLED OUT ALSO WAS INCREASED PRODUCTION OF AGRICULTURAL MACHINERY, INCLUDING LARGE HORSEPOWER TRACTORS, COMBINES, AND CATTLE-FEEDING EQUIPMENT.

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QYM KOSYGIN OBSERVED THAT USSR IS ONLY MAJOR INDUSTRIAL POWER WHOSE DEVELOPMENT IS BASED UPON ITS OWN FUEL-ENERGY RESOURCES. TO RETAIN THIS ADVANTAGE, USSR MUST UTILIZE ITS FUEL RESOURCES RATIONALLY AND ECONOMICALLY. NEW PLAN WILL LAY FOUNDATION FOR GREATER USE IN FUTURE OF HYDRO-POWER, ATOMIC ENERGY, AND "CHEAP" COAL. INCREMENTS IN OIL AND GAS PRODUCTION WILL BE USED MAINLY TO MEET "TECHNOLOGICAL REQUIREMENTS." COAL WILL BEGIN TO PLAY AN INCREASING ROLE IN USSR FUEL-ENERGY BALANCE, PARTICULARLY IN EASTERN REGIONS. KOSYGIN ALSO MENTIONED NEED FOR ENVIRONMENTAL CONTROL MEASURES, PARTICULARLY BY CHEMICAL AND METALLURGICAL INDUSTRIES. "LARGE" ALLOCATIONS WILL BE MADE BY MAJORITY OF INDUSTRIES FOR THIS PURPOSE. USE OF WATER ALSO MUST BE CAREFULLY PLANNED.

17. ON AGRICULTURE, KOSYGIN REAFFIRMED GOALS OUTLINED BY BREZHNEV. THESE INCLUDED INCREASE IN QUANTITY AND QUALITY OF OUTPUT, MAKING PRODUCTION MORE STABLE AND RELIABLE THROUGH REDUCING IMPACT OF WEATHER VARIABLE, AND IMPROVEMENT OF RURAL LIVING STANDARDS. MAJOR PRODUCTION TARGETS ARE SAME AS ANNOUNCED IN DECEMBER. INVESTMENT IN AGRICULTURE WILL BE 171.7 BILLION RUBLES. AREAS FOR CONCENTRATION INCLUDE IMPROVING ANIMAL FEED BASE, INCREASING OUTPUT OF MEAT AND

MILK, RASING ANIMAL FEED RESERVES IN CASE OF POOR WEATHER, MORE IRRIGATION AND LAND RECLAMATION, AND INCREASED USE OF CHEMICAL FERTILIZERS. AGRICULTURAL GOALS ARE "MINIMUMS" AND GIVEN LEVEL OF RESOURCES TO BE ALLOCATED WILL PERMIT HIGHER OUTPUTS IF WEATHER IS FAVORABLE. KOSYGIN WAS CRITICAL OF SOME POOR QUALITY GRAIN AND SUGAR BEETS DELIVERED TO STATE. AND HE ENDORSED BREZHNEV'S CALL FOR INTER-KOLKHOZ COOPERATION, AGRO-INDUSTRIAL INTEGRATION, AND AGRICULTURAL SPECIALIZATION.

18. LIGHT AND FOOD INDUSTRY OUTPUT IS TO INCREASE BY 26-28 PERCENT AND CONSUMER GOODS AS A WHOLE BY 30-32 PERCENT. KOSYGIN ADMITTED THAT THIS SECTOR FAILED TO MEET LEVEL OF DEMAND FOR CONSUMER GOODS. CALLING FOR HIGHER OUTPUT AND BETTER QUALITY GOODS, HE SPECIFICALLY TASKED CHEMICAL AND MACHINE BUILDING INDUSTRIES TO IMPROVE PERFORMANCE. IMPROVEMENT IN INTERNAL TRADE, DISTRIBUTION, AND SERVICE SECTORS IS ALSO NEEDED AND ALL THOSE INVOLVED "SHOULD DRAW NECESSARY CONCLUSIONS" FROM THIS.

19. CAPITAL INVESTMENT WILL TOTAL 630 BILLION RUBLES, A 25 PERCENT INCREASE OVER NINTH PLAN AS COMPARED WITH 42 PERCENT INCREASE IN LIMITED OFFICIAL USE

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NINTH PLAN OVER EIGHT PLAN. RASING OF EFFECTIVENESS OF INVESTMENT IS THUS OF PRIMARY SIGNIFICANCE. KOSYGIN ALSO CALLED FOR MORE RAPID COMPLETION OF CONSTRUCTION PROJECTS, CONCENTRATION OF NEW INVESTMENT IN PRODUCING UNITS, AND DEVELOPMENT OF LONGER-TERM CONSTRUCTION PLANS. AS NOTED IN SECTION ONE, PRIORITY MUST NOW BE GIVEN TO PLANT RE-EQUIPPING AND RECONSTRUCTION.

20. ACCORDING TO KOSYGIN, ECONOMIC TIES BETWEEN UNION REPUBLICS AND REGIONS WILL GROW MUCH CLOSER DURING 1976-80. EASTERN REGIONS, ESPECIALLY SIBERIA, WHERE INDUSTRIAL PRODUCTION WILL BE INCREASED BY 1.5 TIMES, WILL DEVELOP AT PRIORITY RATES. ENERGY-INTENSIVE INDUSTRIES, FUEL INDUSTRIES AND AGRICULTURE, AS WELL AS TOTAL SOCIAL INFRASTRUCTURE, WILL BE EXPANDED RAPIDLY IN SIBERIA AND THE FAR EAST. STOESEL

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